



3013 (02-09-04)

ANNUAL REPORT

OF

Name: CITY OF ASHLAND WATER UTILITY

Principal Office: 601 MAIN STREET WEST
ASHLAND, WI 54806

For the Year Ended: DECEMBER 31, 1997

WATER, ELECTRIC, OR JOINT UTILITY TO PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

I BRIAN KNAPP of
(Person responsible for accounts)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

FINANCE DIRECTOR

(Title)

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: CITY OF ASHLAND WATER UTILITY

Utility Address: 601 MAIN STREET WEST
ASHLAND, WI 54806

When was utility organized? 1/1/1936

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: BRIAN D. KNAPP

Title: FINANCE DIRECTOR

Office Address:

601 MAIN STREET WEST
ASHLAND, WI 54806

Telephone: (715) 682 - 7190

Fax Number: (715) 682 - 7048

E-mail Address: BKNAPP@COAWI.ORG

Individual or firm, if other than utility employee, preparing this report:

Name: NONE

Title:

Office Address:

Telephone:

Fax Number:

E-mail Address:

Are records of utility audited by individuals or firms, other than utility employee? YES

Individual or firm, if other than utility employee, auditing utility records:

Name: JAMES R. MURRAY CPA

Title:

Office Address: VIRCHOW, KRAUSE & COMPANY, LLP
205 EAST GRAND AVENUE
EAU CLAIRE, WI 54701

Telephone: (705) 833 - 1717

Fax Number: (715) 836 - 7877

E-mail Address:

Date of most recent audit report: 3/18/1998

Period covered by most recent audit: 1/1/97 to 12/31/97

IDENTIFICATION AND OWNERSHIP

Names and titles of utility management including manager or superintendent:

Name: JAMES STRUCK**Title:** PUBLIC WORKS DIRECTOR**Office Address:**601 MAIN STREET WEST
ASHLAND, WI 54806**Telephone:** (715) 682 - 7580**Fax Number:** (715) 682 - 7907**E-mail Address:** JSTRUCK@COAWI.ORG

Name of utility commission/committee: Public Works Committee (Advisory Only)

Names of members of utility commission/committee:

Is sewer service rendered by the utility? NO**If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.077 of the Wisconsin Statutes?** NO**Date of Ordinance:**

Are any of the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation of water or sewer treatment plant)? NO

Provide the following information regarding the provider(s) of contract services:

Firm Name:**Contact Person:****Title:****Telephone:****Fax Number:****E-mail Address:**

Contract/Agreement beginning-ending dates:**Provide a brief description of the nature of Contract Operations being provided:**

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	1,105,881	1,095,010	1
Operating Expenses:			
Operation and Maintenance Expense (401-402)	622,603	740,458	2
Depreciation Expense (403)	84,500	90,866	3
Amortization Expense (404-407)	0	0	4
Taxes (408)	154,384	154,716	5
Total Operating Expenses	861,487	986,040	
Net Operating Income	244,394	108,970	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	244,394	108,970	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Income from Nonutility Operations (417)	0	0	8
Nonoperating Rental Income (418)	1,717	3,389	9
Interest and Dividend Income (419)	24,886	17,234	10
Miscellaneous Nonoperating Income (421)	0	0	11
Total Other Income	26,603	20,623	
Total Income	270,997	129,593	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0	0	12
Other Income Deductions (426)	0	0	13
Total Miscellaneous Income Deductions	0	0	
Income Before Interest Charges	270,997	129,593	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	23,790	9,440	14
Amortization of Debt Discount and Expense (428)	4,196	2,099	15
Amortization of Premium on Debt--Cr. (429)	0	0	16
Interest on Debt to Municipality (430)	44,753	40,696	17
Other Interest Expense (431)	0	0	18
Interest Charged to Construction--Cr. (432)	2,336	0	19
Total Interest Charges	70,403	52,235	
Net Income	200,594	77,358	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	1,584,603	1,507,245	20
Balance Transferred from Income (433)	200,594	77,358	21
Miscellaneous Credits to Surplus (434)	0	0	22
Miscellaneous Debits to Surplus--Debit (435)	0	0	23
Appropriations of Surplus--Debit (436)	23,201	0	24
Appropriations of Income to Municipal Funds--Debit (439)	0	0	25
Total Unappropriated Earned Surplus End of Year (216)	1,761,996	1,584,603	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Income from Nonutility Operations, Account 417.

Description of Item (a)	Amount (b)	
Revenues from Utility Plant Leased to Others (412):		
None		1
Total (Acct. 412):	0	
Expenses of Utility Plant Leased to Others (413):		
None		2
Total (Acct. 413):	0	
Income from Nonutility Operations (417):		
None		3
Total (Acct. 417):	0	
Nonoperating Rental Income (418):		
Revenue from rental of Utility owned house on pumping station property	6,300	4
Maintenance and utilities expenses	(3,341)	5
Depreciation Expense (3 years including 95 & 96 omitted)	(1,242)	6
Total (Acct. 418):	1,717	
Interest and Dividend Income (419):		
Pooled Cash interest allocated to water utility	4,457	7
Interest on segregated deposits - proceeds of interim const. financing	20,429	8
Total (Acct. 419):	24,886	
Miscellaneous Nonoperating Income (421):		
NONE		9
Total (Acct. 421):	0	
Miscellaneous Amortization (425):		
NONE		10
Total (Acct. 425):	0	
Other Income Deductions (426):		
NONE		11
Total (Acct. 426):	0	
Miscellaneous Credits to Surplus (434):		
NONE		12
Total (Acct. 434):	0	
Miscellaneous Debits to Surplus (435):		
NONE		13
Total (Acct. 435)--Debit:	0	
Appropriations of Surplus (436):		
Detail appropriations to (from) account 215		14
Net book value of Utility Office bldg & land transferred to City	23,201	15
Total (Acct. 436)--Debit:	23,201	
Appropriations of Income to Municipal Funds (439):		
NONE		16
Total (Acct. 439)--Debit:	0	

INCOME FROM MERCHANDISING, JOBBING & CONTRACT WORK (ACCTS. 415-416)

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)	0				0	1
Costs and Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold					0	2
Payroll					0	3
Materials					0	4
Taxes					0	5
Other (list by major classes):						
NONE					0	6
Total costs and expenses	0	0	0	0	0	
Net income (or loss)	0	0	0	0	0	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat. § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	1,105,881	0	0	0	1,105,881	1
Less: interdepartmental sales	0	0	0		0	2
Less: interdepartmental rents	0	0	0		0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained	0	0	0		0	5
Other Increases or (Decreases)						
to Operating Revenues - Specify:						
None	0	0	0		0	6
Revenues subject to Wisconsin Remainder Assessment	1,105,881	0	0	0	1,105,881	

DISTRIBUTION OF TOTAL PAYROLL

1. Amount originally charged to clearing accounts as shown in column (b) should be shown as finally distributed in column (c).
2. The amount for clearing accounts in column (c) is entered as a negative for account "Clearing Accounts" and the distributions to accounts on all other lines in column (c) will be positive with the total of column (c) being zero.
3. Provide additional information in the schedule footnotes when necessary.

Accounts Charged (a)	Direct Payroll Distribution (b)	Allocation of Amounts Charged Clearing Accts. (c)	Total (d)	
Water operating expenses	307,173	2,347	309,520	1
Electric operating expenses			0	2
Gas operating expenses			0	3
Heating operating expenses			0	4
Sewer operating expenses	21,782	334	22,116	5
Merchandising and jobbing			0	6
Other nonutility expenses			0	7
Water utility plant accounts	3,924	160	4,084	8
Electric utility plant accounts			0	9
Gas utility plant accounts			0	10
Heating utility plant accounts			0	11
Sewer utility plant accounts			0	12
Accum. prov. for depreciation of water plant			0	13
Accum. prov. for depreciation of electric plant			0	14
Accum. prov. for depreciation of gas plant			0	15
Accum. prov. for depreciation of heating plant			0	16
Accum. prov. for depreciation of sewer plant			0	17
Clearing accounts	2,841	(2,841)	0	18
All other accounts			0	19
Total Payroll	335,720	0	335,720	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (101-107)	5,646,060	5,183,411	1
Less: Accumulated Provision for Depreciation and Amortization (111-116)	1,329,198	1,278,627	2
Net Utility Plant	4,316,862	3,904,784	
Utility Plant Acquisition Adjustments (117-118)	0	0	3
Other Utility Plant Adjustments (119)	0	0	4
Total Net Utility Plant	4,316,862	3,904,784	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	31,982	31,982	5
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	17,978	16,736	6
Net Nonutility Property	14,004	15,246	
Investment in Municipality (123)	0	0	7
Other Investments (124)	0	0	8
Special Funds (125-128)	195,199	195,199	9
Total Other Property and Investments	209,203	210,445	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	106,462	179,471	10
Special Deposits (132-134)	0	0	11
Working Funds (135)	0	250	12
Temporary Cash Investments (136)	753,677	104,260	13
Notes Receivable (141)	0	0	14
Customer Accounts Receivable (142)	66,812	68,753	15
Other Accounts Receivable (143)	1,350	1,350	16
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	17
Receivables from Municipality (145)	461	461	18
Materials and Supplies (151-163)	36,183	37,572	19
Prepayments (165)	0	0	20
Interest and Dividends Receivable (171)	828	765	21
Accrued Utility Revenues (173)	0	0	22
Miscellaneous Current and Accrued Assets (174)	0	0	23
Total Current and Accrued Assets	965,773	392,882	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	0	2,403	24
Other Deferred Debits (182-186)	400,443	386,676	25
Total Deferred Debits	400,443	389,079	
Total Assets and Other Debits	5,892,281	4,897,190	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Capital Paid in by Municipality (200)	162,680	0	26
Appropriated Earned Surplus (215)	0	0	27
Unappropriated Earned Surplus (216)	1,761,996	1,584,603	28
Total Proprietary Capital	1,924,676	1,584,603	
LONG-TERM DEBT			
Bonds (221-222)	392,690	425,000	29
Advances from Municipality (223)	949,995	501,152	30
Other Long-Term Debt (224)	0	0	31
Total Long-Term Debt	1,342,685	926,152	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	32
Accounts Payable (232)	77,468	98,876	33
Payables to Municipality (233)	134,823	0	34
Customer Deposits (235)	0	0	35
Taxes Accrued (236)	134,292	134,296	36
Interest Accrued (237)	36,401	23,515	37
Matured Long-Term Debt (239)	0	0	38
Matured Interest (240)	0	0	39
Tax Collections Payable (241)	0	0	40
Miscellaneous Current and Accrued Liabilities (242)	74,088	76,700	41
Total Current and Accrued Liabilities	457,072	333,387	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	42
Customer Advances for Construction (252)	52,253	52,253	43
Other Deferred Credits (253)	0	0	44
Total Deferred Credits	52,253	52,253	
OPERATING RESERVES			
Property Insurance Reserve (261)	0	0	45
Injuries and Damages Reserve (262)	0	0	46
Pensions and Benefits Reserve (263)	195,199	195,199	47
Miscellaneous Operating Reserves (265)	0		48
Total Operating Reserves	195,199	195,199	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	1,920,396	1,805,596	49
Total Liabilities and Other Credits	5,892,281	4,897,190	

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
Plant Accounts:					
Utility Plant in Service (101)	5,392,740	0	0	0	1
Utility Plant Purchased or Sold (102)					2
Utility Plant in Process of Reclassification (103)					3
Utility Plant Leased to Others (104)					4
Property Held for Future Use (105)					5
Completed Construction not Classified (106)					6
Construction Work in Progress (107)	253,320				7
Total Utility Plant	5,646,060	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (111)	1,329,198	0	0	0	8
Accumulated Provision for Depreciation of Utility Plant Leased to Others (112)					9
Accumulated Provision for Depreciation of Property Held for Future Use (113)					10
Accumulated Provision for Amortization of Utility Plant in Service (114)					11
Accumulated Provision for Amortization of Utility Plant Leased to Others (115)					12
Accumulated Provision for Amortization of Property Held for Future Use (116)					13
Total Accumulated Provision	1,329,198	0	0	0	
Net Utility Plant	4,316,862	0	0	0	

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Depreciation Accruals (Credits) during the year:

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year	1,278,627				1,278,627	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	84,500				84,500	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	5,316				5,316	6
Accruals charged other						7
accounts (specify):						8
Charged to sewer for common equip	3,933				3,933	9
Salvage	548				548	10
Other credits (specify):						11
Accumulated rounding adjustment	2				2	12
Total credits	94,299	0	0	0	94,299	13
Debits during year						14
Book cost of plant retired	43,728				43,728	15
Cost of removal	0				0	16
Other debits (specify):						17
					0	18
Total debits	43,728	0	0	0	43,728	19
Balance End of Year	1,329,198	0	0	0	1,329,198	20
						21
						22

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant				0	1
Other (specify):					
Rental House at Pumping Station	31,982	0	0	31,982	2
Total Nonutility Property (121)	31,982	0	0	31,982	
Less accum. prov. depr. & amort. (122)	16,736	1,242	0	17,978	3
Net Nonutility Property	15,246	(1,242)	0	14,004	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Additions:		
Provision for uncollectibles during year		2
Collection of accounts previously written off: Utility Customers		3
Collection of accounts previously written off: Others		4
Total Additions	<u>0</u>	
Deductions:		
Accounts written off during the year: Utility Customers		5
Accounts written off during the year: Others		6
Total accounts written off	<u>0</u>	
Balance end of year	<u><u>0</u></u>	

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)
Electric Utility						
Fuel (151)					0	1
Fuel stock expenses (152)					0	2
Plant mat. & oper. sup. (154)					0	3
Total Electric Utility					<u>0</u>	<u>0</u>

Account	Total End of Year	Amount Prior Year	
Electric utility total	0	0	1
Water utility (154)	36,183	37,572	2
Sewer utility (154)			3
Heating utility (154)			4
Gas utility (154)			5
Merchandise (155)			6
Other materials & supplies (156)			7
Stores expense (163)			8
Total Materials and Supplies	<u>36,183</u>	<u>37,572</u>	

UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT (ACCTS. 181 AND 251)

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
Unamortized debt discount & expense (181)				
Issuance Expense on 7/97 875M M&I BAN	1,793	428	0	1
Issuance Expense on 8/96 125M M&I BAN	924	428	0	2
Issuance Expense on 8/96 425M M&I MRB	1,479	428	0	3
Total			0	
Unamortized premium on debt (251)				
None	0	0	0	4
Total			0	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Amount (b)	
Balance first of year	0	1
Changes during year (explain):		
Extension to Prentice Heights Development	56,002	2
TIF #6 Improvements on Ellis Ave (CWIP)	57,127	3
97 Street Projects (Lake Park Rd & 36th Ave loop)	49,551	4
Balance end of year	162,680	

BONDS (ACCTS. 221 AND 222)

1. Report hereunder information required for each separate issue of bonds.
2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
3. Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)	
\$425M M&I Mtg Rev Bond	08/15/1996	08/16/2006	6.00%	392,690	1
Total Bonds (Account 221):				392,690	
Total Reacquired Bonds (Account 222)				0	2

Net amount of bonds outstanding December 31: 392,690

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

1. Report each class of debt included in Accounts 223, 224 and 231.
2. Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
3. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)	
Advances (223)					
12/88 \$200M G.O. Note	12/01/1988	12/01/1998	7.00%	23,650	1
4/83 \$175M G.O. Note	04/15/1983	10/15/1998	8.00%	18,833	2
6/92 \$95.6M G.O. Trust Fund Loan	06/30/1992	03/15/2002	5.00%	53,067	3
7/97 \$875M M&I G.O. Water/Sewer BAN	07/01/1997	01/01/1999	5.00%	650,750	4
8/94 \$132M G.O. Trust Fund Loan	08/03/1994	03/15/2004	5.00%	99,360	5
8/96 \$125M M&I G.O. BAN	08/15/1996	08/15/1997	5.00%	0	6
10/93 \$144.5M G.O. Trust Fund Loan	10/20/1993	03/15/2002	5.00%	104,335	7
Total for Account 223				949,995	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	134,296	1
Accruals:		
Charged water department expense	134,300	2
Charged electric department expense		3
Charged sewer department expense		4
Other (explain):		
NONE		5
Total Accruals and other credits	134,300	
Taxes paid during year:		
County, state and local taxes	134,304	6
Social Security taxes		7
PSC Remainder Assessment		8
Other (explain):		
NONE		9
Total payments and other debits	134,304	
Balance end of year	134,292	

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
 2. Report Customer Deposits under Account 231.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
8/96 425M M&I MRB - Ground Water Invest.	9,440	23,790	24,508	8,722	1
Subtotal	9,440	23,790	24,508	8,722	
Advances from Municipality (223)					
4/83 \$175M G.O. Note	595	2,194	2,480	309	2
12/88 \$200M G.O. Note	287	3,288	3,429	146	3
6/92 \$95.6M G.O. Trust Fund Loan	2,592	2,883	3,263	2,212	4
10/93 \$144.5M G.O. Trust Fund Loan	4,262	4,831	5,364	3,729	5
8/94 \$132M G.O. trust Fund Loan	3,976	4,579	5,005	3,550	6
8/96 \$125M M&I G.O. BAN	2,363	3,134	5,497	0	7
7/97 \$ 875M M&I G.O. Water/Sewer BAN	0	23,844	6,111	17,733	8
Subtotal	14,075	44,753	31,149	27,679	
Other Long-Term Debt (224)					
NONE				0	9
Subtotal	0	0	0	0	
Notes Payable (231)					
NONE				0	10
Subtotal	0	0	0	0	
Total	23,515	68,543	55,657	36,401	

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCOUNT 271)

Particulars (a)	Water (b)	Electric		Sewer (e)	Gas (f)	Total (g)	
		Distribution (c)	Other (d)				
Balance First of Year	1,805,596					1,805,596	1
Add credits during year:							
For Services	4,800					4,800	2
For Mains	110,000					110,000	3
Other (specify):							
NONE						0	4
Deduct charges (specify):							
NONE						0	5
Balance End of Year	1,920,396	0	0	0	0	1,920,396	
Amount of federal and state grants in aid received for utility construction included in End of Year totals	72,029					72,029	6

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Investment in Municipality (123):		
None		1
Total (Acct. 123):	0	
Other Investments (124):		
None		2
Total (Acct. 124):	0	
Sinking Funds (125):		
None		3
Total (Acct. 125):	0	
Depreciation Fund (126):		
None		4
Total (Acct. 126):	0	
Other Special Funds (128):		
Deferred Compensation Investments	195,199	5
Total (Acct. 128):	195,199	
Interest Special Deposits (132):		
None		6
Total (Acct. 132):	0	
Other Special Deposits (134):		
None		7
Total (Acct. 134):	0	
Notes Receivable (141):		
None		8
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	66,812	9
Electric		10
Sewer (Regulated)		11
Other (specify):		
NONE		12
Total (Acct. 142):	66,812	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		13
Merchandising, jobbing and contract work		14
Other (specify):		
Due from Wastewater Utility	1,350	15
Total (Acct. 143):	1,350	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Receivables from Municipality (145):		
Due from General Fund	461	16
Total (Acct. 145):	461	
Prepayments (165):		
NONE		17
Total (Acct. 165):	0	
Extraordinary Property Losses (182):		
NONE		18
Total (Acct. 182):	0	
Preliminary Survey and Investigation Charges (183):		
Groud Water Investigation Expenses (To be Amortized)	381,421	19
Surface Water Investigation - Pilot Plant & Engineering	19,022	20
Total (Acct. 183):	400,443	
Clearing Accounts (184):		
NONE		21
Total (Acct. 184):	0	
Temporary Facilities (185):		
NONE		22
Total (Acct. 185):	0	
Miscellaneous Deferred Debits (186):		
NONE		23
Total (Acct. 186):	0	
Payables to Municipality (233):		
Interim Debt Proceeds Due to Wastewater Utility	129,429	24
Prior year misc true-up due to Wastewater Utility	5,394	25
Total (Acct. 233):	134,823	
Other Deferred Credits (253):		
NONE		26
Total (Acct. 253):	0	

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include property held for future use or construction work in progress with utility plant in service. These are not rate base components.

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service	5,253,007	0	0	0	5,253,007	1
Materials and Supplies	36,877	0	0	0	36,877	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation	1,303,912	0	0	0	1,303,912	4
Customer Advances for Construction	52,253				52,253	5
Contributions in Aid of Construction	1,862,996	0	0	0	1,862,996	6
Other (specify):						
NONE					0	7
Average Net Rate Base	2,070,723	0	0	0	2,070,723	
Net Operating Income	244,394	0	0	0	244,394	8
Net Operating Income as a percent of						
Average Net Rate Base	11.80%	N/A	N/A	N/A	11.80%	

RETURN ON PROPRIETARY CAPITAL COMPUTATION

1. The data used in calculating proprietary capital are averages.
2. Calculate those averages by summing the first-of-year and end-of-year figures for each account and then dividing by two.

Description (a)	Amount (b)	
Average Proprietary Capital		
Capital Paid in by Municipality	81,340	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	1,673,299	3
Other (Specify):	0	4
Total Average Proprietary Capital	1,754,639	
Net Income		
Net Income	200,594	5
Percent Return on Proprietary Capital	11.43%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

No acquisitions to report for 1997.

2. Leaseholder changes.

None.

3. Extensions of service.

Water main was extended aprox. 1700 feet to a new residential developement on the western edge of our current service area. The extension was paid for by the City through Capital Paid In - \$56,002. The watermain, hydrants and services within the development have been special assessed agianst the 22 lots in the development and the value of those improvements treated as CIAC - \$39,571.

4. Estimated changes in revenues due to rate changes.

None

5. Obligations incurred or assumed, excluding commercial paper.

On 7-1-97 the City issued an \$875,000 G.O. note on behalf of the water and sewer utilities. The proceeds of the note are to be used for preliminary and design engineering for the distribution system split and source of supply replacement or rehab. The water utility is responsible for \$650,750. This debt will be refinanced with a Rural Development MRB.

6. Formal proceedings with the Public Service Commission.

Construction Authorization for the distribution system split was approved in docket 250-CW-101on 7-15-97.

The utility has an open request befor the Commission for Authorization to construct a micro-filtration treatment plant to replace our existing slow sand filtration system. docket 250-CW-102 is expected to go to hearing in May 1998.

7. Any additional matters.

None

FINANCIAL SECTION FOOTNOTES

Balance Sheet (Page F-06)

No real outstanding changes not easily explained by the utilities aggressive system improvement program:

131; Cash declined due to funding of main replacements

136; Temp Cash Investments are up due to balance of interim financing issues not yet spent.

232; Accounts payable down due to fewer engineering invoices outstanding

233; Reflects amount of interim financing related to sewer portion of the project held in joint account for the sewer department.

Unamortized Debt Discount & Expense & Premium on Debt (Accts. 181 and 251) (Page F-12)

On the advice of Auditors we are taking advantage of loosening requirements for debt expense amortization and writing off accumulated and current year issuance expenses.

Capital Paid in by Municipality (Acct. 200) (Page F-13)

The City has committed to an aggressive economic development strategy that includes 2 new TIF districts and a number of housing developments. The City is prepared to increase it's investment in the utility in order to take advantage of growth opportunities.

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sales of Water		
Sales of Water (460-467)	1,088,808	1
Total Sales of Water	1,088,808	
Other Operating Revenues		
Forfeited Discounts (470)	4,001	2
Miscellaneous Service Revenues (471)	2,667	3
Rents from Water Property (472)	0	4
Interdepartmental Rents (473)	0	5
Other Water Revenues (474)	10,405	6
Amortization of Construction Grants (475)	0	7
Total Other Operating Revenues	17,073	
Total Operating Revenues	1,105,881	
Operation and Maintenance Expenses		
Source of Supply Expense (600-617)	7,500	8
Pumping Expenses (620-633)	192,862	9
Water Treatment Expenses (640-652)	83,005	10
Transmission and Distribution Expenses (660-678)	98,816	11
Customer Accounts Expenses (901-905)	66,059	12
Sales Expenses (910)	0	13
Administrative and General Expenses (920-932)	174,361	14
Total Operation and Maintenance Expenses	622,603	
Other Operating Expenses		
Depreciation Expense (403)	84,500	15
Amortization Expense (404-407)	0	16
Taxes (408)	154,384	17
Total Other Operating Expenses	238,884	
Total Operating Expenses	861,487	
NET OPERATING INCOME	244,394	

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Bulk sales should be account 460.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential	1	146	350	1
Commercial	0	0	0	2
Industrial	0	0	0	3
Total Unmetered Sales to General Customers (460)	1	146	350	
Metered Sales to General Customers (461)				
Residential	2,516	116,885	487,979	4
Commercial	379	95,279	248,618	5
Industrial	13	10,408	22,431	6
Total Metered Sales to General Customers (461)	2,908	222,572	759,028	
Private Fire Protection Service (462)	32		18,304	7
Public Fire Protection Service (463)	1		284,369	8
Other Sales to Public Authorities (464)	37	9,074	26,757	9
Sales to Irrigation Customers (465)	0	0	0	10
Sales for Resale (466)	0	0	0	11
Interdepartmental Sales (467)	0	0	0	12
Total Sales of Water	2,979	231,792	1,088,808	

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)	
None	0	0	0	1
Total		0	0	

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Public Fire Protection Service (463):		
Amount billed (usually per rate schedule F-1)	284,369	1
Wholesale fire protection billed	0	2
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)	0	3
Other (specify):		
NONE	0	4
Total Public Fire Protection Service (463)	284,369	
Forfeited Discounts (470):		
Customer late payment charges	4,001	5
Other (specify):		
NONE	0	6
Total Forfeited Discounts (470)	4,001	
Miscellaneous Service Revenues (471):		
Hydrant use charges, sales of non-plant items, sales of inventory net of costs	2,667	7
Total Miscellaneous Service Revenues (471)	2,667	
Rents from Water Property (472):		
NONE	0	8
Total Rents from Water Property (472)	0	
Interdepartmental Rents (473):		
NONE	0	9
Total Interdepartmental Rents (473)	0	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	8,848	10
Other (specify):		
Return on General/Common office and equipment	1,557	11
Total Other Water Revenues (474)	10,405	
Amortization of Construction Grants (475):		
NONE	0	12
Total Amortization of Construction Grants (475)	0	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 15 percent, but not less than \$10,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
SOURCE OF SUPPLY EXPENSES		
Operation Supervision and Engineering (600)	0	1
Operation Labor and Expenses (601)	0	2
Purchased Water (602)	0	3
Miscellaneous Expenses (603)	0	4
Rents (604)	0	5
Maintenance Supervision and Engineering (610)	0	6
Maintenance of Structures and Improvements (611)	0	7
Maintenance of Collecting and Impounding Reservoirs (612)	0	8
Maintenance of Lake, River and Other Intakes (613)	7,500	9
Maintenance of Wells and Springs (614)	0	10
Maintenance of Infiltration Galleries and Tunnels (615)	0	11
Maintenance of Supply Mains (616)	0	12
Maintenance of Miscellaneous Water Source Plant (617)	0	13
Total Source of Supply Expenses	7,500	
PUMPING EXPENSES		
Operation Supervision and Engineering (620)	18,484	14
Fuel for Power Production (621)	0	15
Power Production Labor and Expenses (622)	0	16
Fuel or Power Purchased for Pumping (623)	30,443	17
Pumping Labor and Expenses (624)	77,678	18
Expenses Transferred--Credit (625)	0	19
Miscellaneous Expenses (626)	59,775	20
Rents (627)	0	21
Maintenance Supervision and Engineering (630)	0	22
Maintenance of Structures and Improvements (631)	3,487	23
Maintenance of Power Production Equipment (632)	0	24
Maintenance of Pumping Equipment (633)	2,995	25
Total Pumping Expenses	192,862	
WATER TREATMENT EXPENSES		
Operation Supervision and Engineering (640)	7,346	26
Chemicals (641)	15,364	27

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 15 percent, but not less than \$10,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
WATER TREATMENT EXPENSES		
Operation Labor and Expenses (642)	54,029	28
Miscellaneous Expenses (643)	0	29
Rents (644)	0	30
Maintenance Supervision and Engineering (650)	0	31
Maintenance of Structures and Improvements (651)	5,280	32
Maintenance of Water Treatment Equipment (652)	986	33
Total Water Treatment Expenses	83,005	
TRANSMISSION AND DISTRIBUTION EXPENSES		
Operation Supervision and Engineering (660)	15,154	34
Storage Facilities Expenses (661)	1,026	35
Transmission and Distribution Lines Expenses (662)	55,107	36
Meter Expenses (663)	3,233	37
Customer Installations Expenses (664)	0	38
Miscellaneous Expenses (665)	1,049	39
Rents (666)	0	40
Maintenance Supervision and Engineering (670)	8,276	41
Maintenance of Structures and Improvements (671)	144	42
Maintenance of Distribution Reservoirs and Standpipes (672)	0	43
Maintenance of Transmission and Distribution Mains (673)	7,784	44
Maintenance of Fire Mains (674)	0	45
Maintenance of Services (675)	5,063	46
Maintenance of Meters (676)	675	47
Maintenance of Hydrants (677)	1,224	48
Maintenance of Miscellaneous Plant (678)	81	49
Total Transmission and Distribution Expenses	98,816	
CUSTOMER ACCOUNTS EXPENSES		
Supervision (901)	8,380	50
Meter Reading Labor (902)	12,292	51
Customer Records and Collection Expenses (903)	35,711	52
Uncollectible Accounts (904)	0	53

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 15 percent, but not less than \$10,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
CUSTOMER ACCOUNTS EXPENSES		
Miscellaneous Customer Accounts Expenses (905)	9,676	54
Total Customer Accounts Expenses	66,059	
SALES EXPENSES		
Sales Expenses (910)	0	55
Total Sales Expenses	0	
ADMINISTRATIVE AND GENERAL EXPENSES		
Administrative and General Salaries (920)	30,036	56
Office Supplies and Expenses (921)	2,157	57
Administrative Expenses Transferred--Credit (922)	0	58
Outside Services Employed (923)	4,034	59
Property Insurance (924)	2,499	60
Injuries and Damages (925)	8,205	61
Employee Pensions and Benefits (926)	122,053	62
Regulatory Commission Expenses (928)	597	63
Duplicate Charges--Credit (929)	0	64
Miscellaneous General Expenses (930)	4,575	65
Rents (931)	0	66
Maintenance of General Plant (932)	205	67
Total Administrative and General Expenses	174,361	
Total Operation and Maintenance Expenses	622,603	

TAXES (ACCT. 408 - WATER)

When allocation of taxes is made between departments, explain method used.
--

Description of Tax (a)	Method Used to Allocate Between Departments (b)	Amount (c)	
Property Tax Equivalent		134,300	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department	Meters, Office & Equip. 50/50 water/sewer	5,455	2
Net property tax equivalent		128,845	
Social Security	Prorata labor for meter reading, maint., misc cust. exp.	24,110	3
PSC Remainder Assessment		1,429	4
Other (specify): NONE			5
Total tax expense		154,384	

PROPERTY TAX EQUIVALENT (WATER)

1. No property tax equivalent shall be determined for sewer utilities or town sanitary district water utilities.
2. Tax rates are those issued in November (usually) of the year being reported and are available from the municipal treasurer. Report the tax rates in mills to six (6) decimal places.
3. The assessment ratio is available from the municipal treasurer. Report the ratio as a decimal to six (6) places.
4. The utility plant balance first of year should include the gross book values of plant in service, property held for future use and construction work in progress.
5. An "other tax rate" is included in the "Net Local and School Tax Rate Calculation" to the extent that it is local. An example is a local library tax. Fully explain the rate in the Property Tax Equivalent schedule footnotes.
6. The Property Tax Equivalent to be reported for the year is determined pursuant to Wis. Stat § 66.069(1)(c). Report the higher of the current year calculation or the tax equivalent reported in the 1994 PSC annual report, unless, the municipality has authorized a lower amount, then that amount is reported as the property tax equivalent.
7. If the municipality has authorized a lower amount, the authorization description and date of the authorization must be reported in the Property Tax Equivalent schedule footnotes.

Particulars (a)	Units (b)	Total (c)	County A (d)	County B (e)	County C (f)	County D (g)	
County name			Ashland				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.234200				3
County tax rate	mills		7.794600				4
Local tax rate	mills		10.458300				5
School tax rate	mills		13.712700				6
Voc. school tax rate	mills		1.804200				7
Other tax rate - Local	mills						8
Other tax rate - Non-Local	mills						9
Total tax rate	mills		34.004000				10
Less: state credit	mills		2.567100				11
Net tax rate	mills		31.436900				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		10.458300				14
Combined School Tax Rate	mills		15.516900				15
Other Tax Rate - Local	mills						16
Total Local & School Tax	mills		25.975200				17
Total Tax Rate	mills		34.004000				18
Ratio of Local and School Tax to Total	dec.		0.763887				19
Total tax net of state credit	mills		31.436900				20
Net Local and School Tax Rate	mills		24.014227				21
Utility Plant, Jan. 1	\$	5,183,411	5,183,411				22
Materials & Supplies	\$	37,572	37,572				23
Subtotal	\$	5,220,983	5,220,983				24
Less: Plant Outside Limits	\$	0	0				25
Taxable Assets	\$	5,220,983	5,220,983				26
Assessment Ratio	dec.		0.851904				27
Assessed Value	\$	4,447,776	4,447,776				28
Net Local & School Rate	mills		24.014227				29
Tax Equiv. Computed for Current Year	\$	106,810	106,810				30
Tax Equivalent per 1994 PSC Report	\$	134,300					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$	134,300					32
Tax equiv. for current year (see note 6)	\$	134,300					34

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$100,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	554	0	1
Franchises and Consents (302)	0	0	2
Miscellaneous Intangible Plant (303)	0	0	3
Total Intangible Plant	554	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	0	0	4
Structures and Improvements (311)	0	0	5
Collecting and Impounding Reservoirs (312)	0	0	6
Lake, River and Other Intakes (313)	23,821	0	7
Wells and Springs (314)	0	0	8
Infiltration Galleries and Tunnels (315)	0	0	9
Supply Mains (316)	0	0	10
Other Water Source Plant (317)	0	0	11
Total Source of Supply Plant	23,821	0	
PUMPING PLANT			
Land and Land Rights (320)	5,712	0	12
Structures and Improvements (321)	121,591	0	13
Boiler Plant Equipment (322)	0	0	14
Other Power Production Equipment (323)	0	0	15
Steam Pumping Equipment (324)	0	0	16
Electric Pumping Equipment (325)	61,880	8,284	17
Diesel Pumping Equipment (326)	0	0	18
Hydraulic Pumping Equipment (327)	0	0	19
Other Pumping Equipment (328)	15,745	3,154	20
Total Pumping Plant	204,928	11,438	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0	0	21
Structures and Improvements (331)	4,103	0	22
Water Treatment Equipment (332)	89,974	0	23
Total Water Treatment Plant	94,077	0	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	2,025	0	24
Structures and Improvements (341)	11,427	0	25

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)	0		554	1
Franchises and Consents (302)	0		0	2
Miscellaneous Intangible Plant (303)	0		0	3
Total Intangible Plant	0	0	554	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)	0		0	4
Structures and Improvements (311)	0		0	5
Collecting and Impounding Reservoirs (312)	0		0	6
Lake, River and Other Intakes (313)	0		23,821	7
Wells and Springs (314)	0		0	8
Infiltration Galleries and Tunnels (315)	0		0	9
Supply Mains (316)	0		0	10
Other Water Source Plant (317)	0		0	11
Total Source of Supply Plant	0	0	23,821	
PUMPING PLANT				
Land and Land Rights (320)	0		5,712	12
Structures and Improvements (321)	0		121,591	13
Boiler Plant Equipment (322)	0		0	14
Other Power Production Equipment (323)	0		0	15
Steam Pumping Equipment (324)	0		0	16
Electric Pumping Equipment (325)	0		70,164	17
Diesel Pumping Equipment (326)	0		0	18
Hydraulic Pumping Equipment (327)	0		0	19
Other Pumping Equipment (328)	0		18,899	20
Total Pumping Plant	0	0	216,366	
WATER TREATMENT PLANT				
Land and Land Rights (330)	0		0	21
Structures and Improvements (331)	0		4,103	22
Water Treatment Equipment (332)	0		89,974	23
Total Water Treatment Plant	0	0	94,077	
TRANSMISSION AND DISTRIBUTION PLANT				
Land and Land Rights (340)	0		2,025	24
Structures and Improvements (341)	0		11,427	25

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$100,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)	219,963	0	26
Transmission and Distribution Mains (343)	2,477,740	226,603	27
Fire Mains (344)	0	0	28
Services (345)	1,001,202	43,224	29
Meters (346)	351,915	10,852	30
Hydrants (348)	422,401	54,278	31
Other Transmission and Distribution Plant (349)	0	0	32
Total Transmission and Distribution Plant	4,486,673	334,957	
GENERAL PLANT			
Land and Land Rights (389)	4,148	0	33
Structures and Improvements (390)	44,253	0	34
Office Furniture and Equipment (391)	18,189	0	35
Computer Equipment (391.1)	48,284	0	36
Transportation Equipment (392)	80,834	0	37
Stores Equipment (393)	0	0	38
Tools, Shop and Garage Equipment (394)	44,431	0	39
Laboratory Equipment (395)	5,798	0	40
Power Operated Equipment (396)	50,991	0	41
Communication Equipment (397)	6,293	0	42
SCADA Equipment (397.1)	0	0	43
Miscellaneous Equipment (398)	0	0	44
Other Tangible Property (399)	0	0	45
Total General Plant	303,221	0	
Total utility plant in service directly assignable	5,113,274	346,395	
Common Utility Plant Allocated to Water Department	0	0	46
Total utility plant in service	5,113,274	346,395	

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
TRANSMISSION AND DISTRIBUTION PLANT				
Distribution Reservoirs and Standpipes (342)	0		219,963	26
Transmission and Distribution Mains (343)	10,175		2,694,168	27
Fire Mains (344)	0		0	28
Services (345)	2,700		1,041,726	29
Meters (346)	5,653		357,114	30
Hydrants (348)	0		476,679	31
Other Transmission and Distribution Plant (349)	0		0	32
Total Transmission and Distribution Plant	18,528	0	4,803,102	
GENERAL PLANT				
Land and Land Rights (389)	4,148		0	33
Structures and Improvements (390)	44,253		0	34
Office Furniture and Equipment (391)	0		18,189	35
Computer Equipment (391.1)	0		48,284	36
Transportation Equipment (392)	0		80,834	37
Stores Equipment (393)	0		0	38
Tools, Shop and Garage Equipment (394)	0		44,431	39
Laboratory Equipment (395)	0		5,798	40
Power Operated Equipment (396)	0		50,991	41
Communication Equipment (397)	0		6,293	42
SCADA Equipment (397.1)	0		0	43
Miscellaneous Equipment (398)	0		0	44
Other Tangible Property (399)	0		0	45
Total General Plant	48,401	0	254,820	
Total utility plant in service directly assignable	66,929	0	5,392,740	
Common Utility Plant Allocated to Water Department	0		0	46
Total utility plant in service	66,929	0	5,392,740	

ACCUMULATED PROVISION FOR DEPRECIATION - WATER

1. Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount in a schedule footnote.
2. If more than one depreciation rate is used, report the average rate in column (c).

Primary Plant Accounts (a)	Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	
SOURCE OF SUPPLY PLANT				
Structures and Improvements (311)	0	0.00%	0	1
Collecting and Impounding Reservoirs (312)	0		0	2
Lake, River and Other Intakes (313)	24,063	1.25%	298	3
Wells and Springs (314)	0	2.63%	0	4
Infiltration Galleries and Tunnels (315)	0		0	5
Supply Mains (316)	0	1.00%	0	6
Other Water Source Plant (317)	0		0	7
Total Source of Supply Plant	24,063		298	
PUMPING PLANT				
Structures and Improvements (321)	148,077	2.67%	3,246	8
Boiler Plant Equipment (322)	0	0.00%	0	9
Other Power Production Equipment (323)	0	4.00%	0	10
Steam Pumping Equipment (324)	0		0	11
Electric Pumping Equipment (325)	63,324	3.33%	2,199	12
Diesel Pumping Equipment (326)	0		0	13
Hydraulic Pumping Equipment (327)	0		0	14
Other Pumping Equipment (328)	14,934	3.33%	577	15
Total Pumping Plant	226,335		6,022	
WATER TREATMENT PLANT				
Structures and Improvements (331)	4,495	2.40%	98	16
Water Treatment Equipment (332)	109,533	3.36%	3,024	17
Total Water Treatment Plant	114,028		3,122	
TRANSMISSION AND DISTRIBUTION PLANT				
Structures and Improvements (341)	11,733	4.00%	457	18
Distribution Reservoirs and Standpipes (342)	117,543	2.00%	4,399	19
Transmission and Distribution Mains (343)	287,588	0.77%	20,170	20
Fire Mains (344)	0		0	21
Services (345)	239,408	2.10%	21,451	22
Meters (346)	99,063	3.00%	10,635	23
Hydrants (348)	37,336	1.33%	5,979	24
Other Transmission and Distribution Plant (349)	0	0.00%	0	25
Total Transmission and Distribution Plant	792,671		63,091	

ACCUMULATED PROVISION FOR DEPRECIATION - WATER (cont.)

Account (e)	Book Cost of Plant Retired (f)	Cost of Removal (g)	Salvage (h)	Adjustments Increase or (Decrease) (i)	Balance End of Year (j)	
311					0	1
312					0	2
313					24,361	3
314					0	4
315					0	5
316					0	6
317					0	7
	0	0	0	0	24,361	
321				3	151,326	8
322					0	9
323					0	10
324					0	11
325					65,523	12
326					0	13
327					0	14
328					15,511	15
	0	0	0	3	232,360	
331					4,593	16
332					112,557	17
	0	0	0	0	117,150	
341					12,190	18
342					121,942	19
343	10,175				297,583	20
344					0	21
345	2,700				258,159	22
346	5,653		548		104,593	23
348					43,315	24
349					0	25
	18,528	0	548	0	837,782	

ACCUMULATED PROVISION FOR DEPRECIATION - WATER

1. Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount in a schedule footnote.
2. If more than one depreciation rate is used, report the average rate in column (c).

Primary Plant Accounts (a)	Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	
GENERAL PLANT				
Structures and Improvements (390)	24,585	2.78%	615	26
Office Furniture and Equipment (391)	9,252	7.69%	1,509	27
Computer Equipment (391.1)	8,800	13.57%	6,358	28
Transportation Equipment (392)	23,669	7.50%	6,063	29
Stores Equipment (393)	0		0	30
Tools, Shop and Garage Equipment (394)	21,089	5.88%	2,613	31
Laboratory Equipment (395)	954	6.67%	387	32
Power Operated Equipment (396)	29,315	6.25%	3,187	33
Communication Equipment (397)	3,866	7.69%	484	34
SCADA Equipment (397.1)	0	8.33%	0	35
Miscellaneous Equipment (398)	0		0	36
Other Tangible Property (399)	0		0	37
Total General Plant	121,530		21,216	
Total accum. prov. directly assignable	1,278,627		93,749	
 Common Utility Plant Allocated to Water Department	 0			 38
 Total accum. prov. for depreciation	 1,278,627		 93,749	

ACCUMULATED PROVISION FOR DEPRECIATION - WATER (cont.)

Account (e)	Book Cost of Plant Retired (f)	Cost of Removal (g)	Salvage (h)	Adjustments Increase or (Decrease) (i)	Balance End of Year (j)	
390	25,200				0	26
391					10,761	27
391.1					15,158	28
392					29,732	29
393					0	30
394				(1)	23,701	31
395					1,341	32
396					32,502	33
397					4,350	34
397.1					0	35
398					0	36
399					0	37
	25,200	0	0	(1)	117,545	
	43,728	0	548	2	1,329,198	
					0	38
	43,728	0	548	2	1,329,198	

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January		28,981		28,981	1
February		27,436		27,436	2
March		29,836		29,836	3
April		27,283		27,283	4
May		28,407		28,407	5
June		28,136		28,136	6
July		29,035		29,035	7
August		28,886		28,886	8
September		27,751		27,751	9
October		27,983		27,983	10
November		24,586		24,586	11
December		24,444		24,444	12
Total for year	0	332,764	0	332,764	
Less: Measured or estimated water used in main flushing and water treatment during year				500	13
Less: Other utility use				33,978	14
Other utility use explanation:					15
In plant, injectors, siphon, chlorinators, sand washing.					
Water pumped into distribution system				298,286	16
Less: Water sold				231,792	17
Losses and unaccounted for				66,494	18
Percent unaccounted for to the nearest whole percent (%)				22%	19
If more than 15%, indicate causes and state what action has been taken to reduce water loss:					20
This is down from 31% in 1996, and 30% in 1995. The main flow meter at the plant seems to be the culprit. In mid-June we refitted the meter with a new sensor, manifold and chart recorder better suited to our flow patterns and the unaccounted has gone down					
Maximum gallons pumped by all methods in any one day during reporting year				1,381,462	21
Date of maximum: 9/8/1997					22
Cause of maximum:					23
Daily pumpage plus sand washing requirements.					
Minimum gallons pumped by all methods in any one day during reporting year				717,271	24
Date of minimum: 12/25/1997					25
Total KWH used for pumping for the year				428,280	26
If water is purchased: Vendor Name:					27
Point of Delivery:					28

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)	
J-WELL (58'4" DIA.)	1	38	1	432,000	No	1

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Identification Number (b)	Intakes			
		Distance From Shore in feet (c)	Depth Below Surface in feet (d)	Diameter in inches (e)	
LAKE SUPERIOR/CHEQUAMEGOI	1	1,950	23	24	1

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification	FILTER/LOWLIFT	INTAKE/LOWLIFT	PUMP 1	1
Location	INTAKE HOUSE	INTAKE HOUSE	PUMPHOUSE	2
Purpose	P	P	B	3
Destination	R	T	D	4
Pump Manufacturer	ALLIS-CHALMERS	FOOD MACHINE CORP.	DE LAVAL	5
Year Installed	1947	1947	1947	6
Type	CENTRIFUGAL	VERTICAL TURBINE	CENTRIFUGAL	7
Actual Capacity (gpm)	200	3,500	840	8
Pump Motor or Standby Engine Mfr	CENTURY	U.S. MOTORS	CROCKER-WHEELER	10
Year Installed	1947	1947	1947	11
Type	ELECTRIC	ELECTRIC	ELECTRIC	12
Horsepower	5	10	50	13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification	PUMP 2	PUMP 3	PUMP 4	14
Location	PUMPHOUSE	PUMPHOUSE	PUMPHOUSE	15
Purpose	B	S	B	16
Destination	D	D	D	17
Pump Manufacturer	DE LAVAL	DE LAVAL	DE LAVAL	18
Year Installed	1947	1947	1947	19
Type	CENTRIFUGAL	CENTRIFUGAL	CENTRIFUGAL	20
Actual Capacity (gpm)	1,260	1,750	1,750	21
Pump Motor or Standby Engine Mfr	CROCKER-WHEELER	STERLING	CROCKER-WHEELER	23
Year Installed	1947	1947	1947	24
Type	ELECTRIC	OTHER	ELECTRIC	25
Horsepower	75	146	150	26

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification	PUMP 5	PUMP 6	PUMP 8	1
Location	PUMPHOUSE	PUMPHOUSE	VALVE BUILDING	2
Purpose	S	B	B	3
Destination	D	D	D	4
Pump Manufacturer	DE LAVAL	DE LAVAL	FIARBANKS-MORSE	5
Year Installed	1947	1947	1947	6
Type	CENTRIFUGAL	CENTRIFUGAL	VERTICAL TURBINE	7
Actual Capacity (gpm)	1,750	500	500	8
Pump Motor or Standby Engine Mfr	JOHN DEERE	CROCKER-WHEELER	FIARBANKS-MORSE	9 10
Year Installed	1989	1947	1947	11
Type	DIESEL	ELECTRIC	ELECTRIC	12
Horsepower	131	40	25	13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification				14
Location				15
Purpose				16
Destination				17
Pump Manufacturer				18
Year Installed				19
Type				20
Actual Capacity (gpm)				21
Pump Motor or Standby Engine Mfr				22 23
Year Installed				24
Type				25
Horsepower				26

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification number or name	PUMPHOUSE RESERVOIR	STANDPIPE		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS				2
				3
Type: R (reservoir), S (standpipe) or ET (elevated tank)	R	S		4
				5
Year constructed	1913	1972		6
				7
Primary material (earthen, steel, concrete, other)	CONCRETE	STEEL		8
				9
Elevation difference in feet (See Headnote 3.)	10	180		10
Total capacity in gallons	350,000	1,376,000		11
WATER TREATMENT PLANT				12
Disinfection, type of equipment (gas, liquid, powder, other)	GAS			13
				14
Points of application (wellhouse, central facilities, booster station, other)	CENTRAL FACILITIES			15
				16
				17
Filters, type (gravity, pressure, other, none)	GRAVITY			18
				19
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	3.6200			20
				21
				22
Is a corrosion control chemical used (yes, no)?	Y			23
				24
Is water fluoridated (yes, no)?	Y			25

WATER MAINS

1. Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
2. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement), or P (Plastic for plastic and all other non-metal excluding asbestos-cement).
3. Identify function as: T (Transmission), D (Distribution) or S (Supply).
4. Explain all reported adjustments as a schedule footnote.
5. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

Number of Feet								
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)	
L	D	0.625	796	0	0	0	796	1
L	D	0.750	1,585	0	212	0	1,373	2
M	D	0.750	3,670	0	308	0	3,362	3
L	D	1.000	1,223	0	229	0	994	4
M	D	1.000	7,832	0	388	0	7,444	5
L	D	1.250	185	0	0	0	185	6
M	D	1.250	1,565	0	0	0	1,565	7
M	D	1.500	2,714	0	0	0	2,714	8
M	D	2.000	525	0	0	0	525	9
M	D	4.000	6,153	0	0	0	6,153	10
M	S	4.000	52	0	0	0	52	11
M	D	6.000	116,136	0	954	0	115,182	12
M	S	6.000	564	0	0	0	564	13
M	D	8.000	38,761	5,582	0	0	44,343	14
M	S	8.000	191	0	0	0	191	15
M	D	10.000	7,749	0	0	0	7,749	16
M	D	12.000	39,542	2,464	0	0	42,006	17
M	D	16.000	8,239	0	0	0	8,239	18
M	S	16.000	136	0	0	0	136	19
M	T	20.000	542	0	0	0	542	20
M	S	24.000	2,035	0	0	0	2,035	21
Total Within Municipality			240,195	8,046	2,091	0	246,150	
Total Utility			240,195	8,046	2,091	0	246,150	

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
L	0.625	695	0	9	0	686	65	1
L	0.750	118	0	0	0	118	20	2
M	0.750	1,287	0	15	0	1,272	98	3
M	1.000	861	68	1	0	928	99	4
L	1.000	50	0	0	0	50	2	5
M	1.250	7	0	0	0	7	2	6
L	1.250	2	0	0	0	2	0	7
L	1.500	2	0	0	0	2	0	8
M	1.500	50	0	0	0	50	4	9
M	2.000	37	2	0	0	39	5	10
M	2.500	1	0	0	0	1	0	11
M	3.000	4	0	0	0	4	0	12
M	4.000	13	0	0	0	13	2	13
M	6.000	4	1	1	0	4	4	14
M	8.000	4	0	0	0	4	3	15
Total Utility		3,135	71	26	0	3,180	304	

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (o).

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.625	2,972	0	100	0	2,872	80	1
0.750	60		2		58	7	2
1.000	70		1		69	8	3
1.500	42				42	6	4
2.000	41		2		39	10	5
3.000	23	1	1		23	0	6
4.000	1	0	0	0	1	0	7
Total:	3,209	1	106	0	3,104	111	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.625	2,508	216	3	11	99	35	2,872	1
0.750	14	30	2	4	0	8	58	2
1.000	2	53	1	5	5	3	69	3
1.500	0	27	2	4	3	6	42	4
2.000	0	29	3	5	0	2	39	5
3.000	0	11	1	6	0	5	23	6
4.000	0	0	0	1	0	0	1	7
Total:	2,524	366	12	36	107	59	3,104	

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.
3. Report fire hydrants as within or outside the municipal boundaries.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire Hydrants						
Outside of Municipality					0	1
Within Municipality	383	24	7		400	2
Total Fire Hydrants	383	24	7	0	400	
Flushing Hydrants						
	0				0	3
Total Flushing Hydrants	0	0	0	0	0	

Wis. Admin. Code § 185.87 requires that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Report the number operated during the year

Number of hydrants operated during year:	569
Number of distribution system valves end of year:	494
Number of distribution valves operated during year:	40

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

Over all operating expenses were down significantly in 1997. Savings resulted from the consolidation of the Water utility operations with the City Public Works Department, reductions in staff, staff illnesses and cost reductions in the finance department which were passed through to the utility.

Source of Supply/Pumping/Treatment expenses are the function of one division over all expenses increased little more than inflation and changes between individual accounts reflect change in emphasis and coding practices.

Other Accounts of particular interest include:

673; Fewer main breaks and a more aggressive replacement program. 1996 had major break of 16" main.

901 & 903; Staff reductions/cost savings in finance department passed through to utility.

920; Savings from elimination of manager position replaced with shared cost of DPW and Engineer

923; 1996 was last year of \$32,833 annual amortization of water system study by SEH.

925; Savings from combining insurance policies with City and large dividends from League Policy

Property Tax Equivalent (Water) (Page W-07)

On June 14, 1994 the City Council passed a resolution setting the Property Tax Equivalent at \$134,300. This amount was in effect for 1994 and therefore is the floor and the ceiling until changed by resolution.

Water Utility Plant in Service (Page W-08)

Additions: 325; \$7,188 - Portable pump for J-well during high turbidities
1,097 - Installation of new flow meter controls (this is misclassified and will be transferred to 328 in 1998)

328; \$3,154 - Transmitter, chart recorder and manifold for meter

346; \$4,809 - Sensus SSI meter reading computer & touch-gun

Retirements: 389; \$ 4,149 - Office building land transferred to City

390; 44,253 - Office building abandoned & transferred to City

Accumulated Provision for Depreciation - Water (Page W-10)

Adjustments in column (i) are to true up the PSC A/R to our GL for accumulated rounding errors/adjustments over the years.

With the transfer of the utility office and land to the City we reduced accumulate depreciation for account 390 to zero with the net book value (\$23,210 including land) booked to account 436/215-Appropriated Retained Earnings. This accounts for the difference between Plant in Service retirements and Accumulated Depreciation retirements.

WATER OPERATING SECTION FOOTNOTES

Water Mains (Page W-17)

Main additions were financed primarily with cash reserves and Capital paid in by Municipality. The City contributed for main extended to expand the industrial park and for an extension to a new development. Approx 1,142' was installed in the new development and was included in a special assessment against the developer for all infrastructure improvements, on a per lot basis.

The special assessment has been deferred for up to 10 years at an interest rate of 5.50%. and will be collected as lots are sold. The City is managing the special assessments and the debt used to finance the improvements. The utility has booked the present value of utility improvements in the development to plant in service and CIAC.

Water Services (Page W-18)

Service additions were financed primarily with cash reserves and Capital paid in by Municipality. The City contributed for Services installed or extensions to expand the industrial park and an extension to a new development. Approx 16 services were installed in the new development and the cost included in a special assessment against the developer for all infrastructure improvements, on a per dwelling unit basis. Some lots will be multi-family so 22 dwelling unit assessments have been established. The cost of these services after allocation of overhead costs is \$4,407.

The special assessment has been deferred for up to 10 years at an interest rate of 5.50%. and will be collected as lots are sold. The City is managing the special assessments and the debt used to finance the improvements. The utility has booked the present value of utility improvements in the development to plant in service and CIAC.

3 services were installed under the Cz-1 rate schedule and one lot owner connected to a recently installed spec service for which the Cz-1 rate was applied for a total of 4 @ \$800 = \$4,800.

Meters (Page W-19)

Meter testing of 5/8", 3/4", and 1" meters is done in-house. For the past 7 years we have been attempting to change our meters to remote SENSUS touch read meters and testing meters as they are removed and scraped or converted. 1997 was a poor year for the change-out program and fewer meters were tested. New emphasis has been placed on the change-out program for 1998 and we expect that we will approach the expected 1/8 to 1/10th testing rates for those meters.

Larger meters are tested by a contractor and we are meeting those required testing intervals.

WATER OPERATING SECTION FOOTNOTES

Hydrants and Distribution System Valves (Page W-20)

Nearly half of our fire protection hydrants (179) have only a 4" lead. These are still included as fire hydrants because, frankly, they are.

We did not exercise half of our valves because of staffing considerations and because of an old inventory of rusted up valves that would break or begin to leak if we turned them now. It is the intent of utility management to develop a data base of the valves and the start a valve turning program that would focus on newer (<20 years old) valves and bring them into a semi annual rotation. While this has been our intent for a number of years, re-organization of the utility into the Public Works Department of the City and chronic staff illnesses have delayed the implementation of that program. Expectations are that 1999 should see improvement.
